

To: House Human Services and Housing Committee
From: Alicia Temple, Oregon Law Center
Date: February 27, 2019
Re: HB 2139 -1/HB 3028, Earned Income Tax Credit

Chair Keny-Guyer and members of the committee:

On behalf of the Oregon Law Center (OLC), I am submitting testimony in support of renewing and raising the Earned Income Tax Credit through HB 2139 -1 and HB 3028

OLC is a non-profit organization that provides free legal help to people struggling to make ends meet. Our mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services. We advocate for our clients and for the services and programs that help them to overcome poverty. EITC is an important resource for low-income, working families.

The EITC was created in 1975 and was designed to encourage and reward work. It is one of the largest anti-poverty tools available in the US. Over the years it has been expanded and improved. It was a critical part of Regan's Tax Reform Act of 1986, as well as tax reform efforts of Presidents Clinton, Bush and Obama. The EITC has strong, bipartisan support because it supplements low-wages and helps lift families out of poverty.

Over 900,000 Oregonians benefit from the EITC every year. In 2016, the average EITC across the country was \$3,176. To a family working hard to make ends meet, \$3000 can make a significant difference.

OLC has clients who benefit from the EITC. One couple had immigrated to the United States with their four children as refugees from Angola. The husband worked as a dishwasher at New Seasons until he got terminated after becoming injured on the job. The wife worked at Wal-Mart at minimum wage. They were relying on their EIC to make it through this tough time but instead the IRS froze their refund and audited the return. While the audit was pending, the family was unable to pay their rent and their landlord began eviction proceedings. They were able to prevail in their case just in time and with the money they received paid their rent. The EITC was literally the only thing that stood between them and homelessness.

Currently there are families left out of eligibility for the Federal EITC and HB 2139 -1 would take a step towards fixing the gap. By allowing ITIN tax filers to qualify for Oregon's EITC we can make a significant difference for Oregonians who are working and filing taxes, but are not eligible due to not having a social security numbers.

Working Oregonians depend on the EITC to help make ends meet, to repair their cars, to pay off debt, or to invest in training and education. Increasing Oregon's matching rate of the EITC would lift more families out of poverty and enable them to continue to invest in themselves.